THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. A Board for regulation and supervision of payment and settlement system (BPSS) has been constituted in Reserve Bank of India.

(b) Functions and powers of the Board *inter-alia* include the following:

(i) Functions considered necessary in relation to different modes of payment and settlement systems of banking companies, financial institutions and no-banking institutions.

(ii) Laying down policies relating to regulation and supervision of the payment and settlement systems.

(iii) Laying down standards for both existing and future payment and settlement systems.

(iv) Authorisation of payment and settlement systems

(v) Determination of the criteria for membership of payment and settlement systems.

(vi) Functions assigned by Central Board of RBI

(c) Yes, Sir.

(d) RBI manages clearing houses wherever it has its offices. At other places, SBI and other public sector banks manage clearing houses. However, RBI as a regulator has overall control over clearing house activities and has also formulated uniform regulations and rules for all banking clearing houses.

(e) and (f) No, Sir. National Payment Council will now function as an advisory body for the BPSS.

Flow of Hawala Money in Kerala

2870. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Kerala had sought intervention to conduct any investigation to the flow of Hawala Money to Kerala through the banks and other external routes;

(b) if so, whether the investigation has been completed and if so, what are the details of such investigations;

(c) whether any persons of financial institutions or firms have been held responsible for such illegal transactions and malpractices and if so, the details thereof; and

(d) whether the Hawala money was found to have been used in Kerala for any anti-national activities and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.

Tax treaties with other countries

2871. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India has recently initiated talks with Japan for a tax treaty;

(b) if so, the details thereof;

(c) whether there are other countries as potential candidates for such bilateral tax treaties and whether Government propose to discuss possibilities of tax treaties with those countries; and

(d) if so, the details of such interactions and the scope of such treaties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The existing tax treaty between India and Japan was notified *vide* Notification No.GS 101(E) dated 01.03.1990. The talks have been initiated for renegotiation of this treaty.

(b) The negotiations with the Japanese official delegation have already commenced.

(c) Yes, Sir. Government of India has so far entered into treaties with 69 countries. There are some other countries which are potential candidate for such bilateral tax treaties and negotiations have commenced with some of these countries.

(d) The process of entering into tax treaties have commenced in the case of 21 countries as per annexed Statement. (See below). The tax treaties are entered into by Government of India with a foreign government